



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

APR - 3 2003

Mr. Marty Bowin
Team Manager, Environmental Technical & Safety
Chevron Pipeline Company
2811 Hayes Road
Houston, TX 77082

Re: CPF No. 5-2002-5005

Dear Mr. Bowin:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and requires certain corrective action. When the terms of the compliance order are completed, as determined by the Director, Western Region, OPS, this enforcement action will be closed. Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Gary M. Saenz
DOT Specialist
Chevron Pipeline Company

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)

Chevron Pipeline Company,)

Respondent.)

CPF No. 5-2002-5005

FINAL ORDER

On August 8-10, 2001, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's Northwest Corridor pipeline facilities and records in Salt Lake City, Utah. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated March 21, 2002, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.404 (Item 1), had committed six violations of 49 C.F.R. § 195.416(a) (Items 2a - 2f), and had committed four violations of 49 C.F.R. § 195.416(i) (Items 3a - 3d). The Notice also proposed that Respondent take certain measures to correct the alleged violations.

By letter dated April 4, 2002, Respondent replied to the Notice, requesting that it be given until September 30, 2002 to accomplish the three items listed in the Proposed Compliance Order portion of the Notice (Response 1). By letter dated April 19, 2002, the Director, Western Region, OPS, accepted the proposed schedule for these items. By letter dated September 30, 2002, Respondent advised the Western Region that it had completed one of the three Proposed Compliance Order items (Response 2). Respondent did not contest the allegations of violation set forth in the Notice in either of its response letters and did not request a hearing, consequently, Respondent waived its right to one.

FINDINGS OF VIOLATION

In its Responses, Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent committed the following violations of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.416(a) (Item 2a) – failing to conduct appropriate interference current testing in the area of a known source of foreign current near the AGI facility to determine whether its cathodic protection was adequate;

49 C.F.R. § 195.416(a) (Item 2b) – failing to test for electrical isolation of pipeline casings at the Interstate Highway 215 crossing to determine the adequacy of its cathodic protection;

49 C.F.R. § 195.416(a) (Item 2c) – failing to conduct appropriate interference current testing at locations where the subject pipeline is in close vicinity to natural gas pipelines that could cause electrical interference;

49 C.F.R. § 195.416(a) (Item 2d) – failing to introduce sufficient corrosion control test stations on sections of Line No. 1 and Line No. 2 between Mile Post 0.0 and Mile Post 158.7 that have distances of over one mile between test stations;

49 C.F.R. § 195.416(a) (Item 2f) – failing to account for IR drop in connection with the pipe-to-soil readings taken near the rectifier stations on Line No. 1 between Mile Post 113.6 and Mile Post 158.7.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a Compliance Order with respect to the violations in Items 2a, 2b, 2c, 2d, and 2f. According to its second response letter, after receiving the Notice, Respondent initiated actions addressing Notice Items 2a, 2c, and 2d (together, Item 1 of the Proposed Compliance Order). These actions included conducting a close-interval survey (CIS) for the subject pipeline segments from Mile Post 0.0 (Salt Lake Station) to Mile Post 64.307 (Corinne Pump Station). The Director, Western Region, OPS, has accepted these measures as adequately fulfilling the requirements of the pipeline safety regulations with respect to Item 1 of the Proposed Compliance Order.

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. Provide the Western Regional Director with a detailed analysis of the results of the CIS and other testing required by this Order, along with a comparison of the CIS data and the in-line inspection (ILI) data from the November 2001 ILI, including the identification and location of any anomalies identified, and a schedule for completing the evaluation and remediation of any anomalies or inadequacies found in cathodic protection facilities.

2. With respect to Item 2b, provide for means of conducting electrical isolation tests for all pipeline casings at rail and road crossings including, but not limited to, the Interstate Highway 215 crossing and conduct isolation testing as required by the pipeline safety regulations.
3. With respect to Item 2f, test the adequacy of the cathodic protection at all rectifier sites using criteria consistent with recognized industry standards accounting for IR drop.
4. Respondent must complete the requirements of this Compliance Order within 60 days following receipt of this Final Order. Submit evidence of the actions taken demonstrating compliance to the Director, Western Region, Office of Pipeline Safety, Golden Hills Centre, Suite A-250, 12600 West Colfax Avenue, Lakewood, CO 80215-3736.

The Director, Western Region, OPS, may grant an extension of time to comply with any of the required items upon a request by the Respondent demonstrating good cause for an extension.

Failure to comply with this Compliance Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.

WARNING ITEMS

The Notice did not propose a civil penalty or corrective action for the following Items, but warned Respondent that it should take appropriate corrective action to correct the items:

49 C.F.R. § 195.404 (Item 1) – failing to maintain records demonstrating the adequacy of the cathodic protection for the Mile Post 1.900 and 1.901 test stations at the Pocatello lateral;

49 C.F.R. § 195.416(a) (Item 2e) – failing to maintain adequate cathodic protection for the Mile Post 0.100 block valve at the Salt Lake Station under the relevant industry standards;

49 C.F.R. § 195.416(i) (Item 3a) – failing to maintain protection against atmospheric corrosion near the air-to-soil interface at the Porters Lane valve site;

49 C.F.R. § 195.416(i) (Item 3b) – failing to maintain protection against atmospheric corrosion near the air-to-soil interface for Line No. 1 at the Roy valve site;

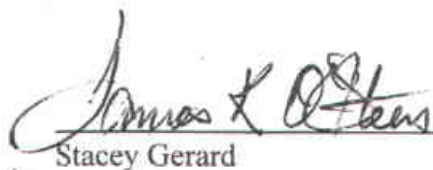
49 C.F.R. § 195.416(i) (Item 3c) – failing to maintain protection against atmospheric corrosion near the air-to-soil interface at the Idahome Station;

49 C.F.R. § 195.416(i) (Item 3d) – failing to maintain protection against atmospheric corrosion for the piping on the suction side of the Murtaugh Pump Station.

Respondent is again warned that if OPS finds a violation in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of the Order and must contain a brief statement of the issue(s). All other terms of the Order, including any required corrective action, remain in full effect unless the Associate Administrator, upon request, grants a stay.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement. The terms and conditions of this Final Order are effective on receipt.



47 Stacey Gerard
Associate Administrator
for Pipeline Safety

APR - 3 2003

Date Issued